EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP

AUDITED FINANCIAL STATEMENTS

December 31, 2013 and 2012

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

INDEPENDENT AUDITORS' REPORT

To the Partners
of Eagle Pointe Development I Limited Partnership
Bossier City, Louisiana

We have audited the accompanying financial statements of Eagle Pointe Development I Limited Partnership (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2013 and 2012 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eagle Pointe Development I Limited Partnership as of December 31, 2013 and 2012, and the results of its operations, changes in partners' equity (deficit), and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, on our consideration of Eagle Pointe Development I Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eagle Pointe Development I Limited Partnership's internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, LA
March 31, 2014

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and Cash Equivalents	$ 12,751	$ -
Accounts Receivable - Tenants	4,307	3,127
Prepaid Expenses	12,970	12,271
Total Current Assets	30,028	15,398
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Operating Reserves	102,916	105,502
Replacement Reserves	102,596	105,860
Real Estate Tax and Insurance Escrow	107	103
Tenants' Security Deposits	11,000	10,750
Total Restricted Deposits and Funded Reserves	216,619	222,215
PROPERTY AND EQUIPMENT		
Buildings	3,208,649	3,208,649
Site Improvements	85,595	85,595
Furniture and Equipment	153,334	153,334
Total	3,447,578	3,447,578
Less: Accumulated Depreciation	(939,904)	(840,076)
Net Depreciable Assets	2,507,674	2,607,502
Land	10,000	10,000
Total Property and Equipment	2,517,674	2,617,502
OTHER ASSETS		
Permanent Loan Fees	42,271	42,271
Syndication Costs	133,279	133,279
Less: Accumulated Amortization	(19,227)	(17,185)
Total Other Assets	156,323	158,365
Total Assets	$ 2,920,644	$ 3,013,480

The accompanying notes are an integral part of these financial statements.

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

LIABILITIES AND PARTNERS' EQUITY

	2013	2012
CURRENT LIABILITIES		
Accounts Payable	$ 23,962	$ 1,872
Book Overdraft	-	4,643
Deferred Rent	481	458
Base Management Fees Payable	4,597	4,324
Subordinate Management Fees Payable	4,964	4,964
Due To Related Party	39,655	6,735
Accrued Interest Payable - Home Federal Savings & Loan	4,726	4,813
Current Portion of Note Payable - Home Federal Savings & Loan	16,298	12,384
Total Current Liabilities	94,683	40,193
DEPOSITS		
Tenants' Security Deposits	11,000	11,000
Total Deposits	11,000	11,000
LONG-TERM LIABILITIES		
Note Payable - Home Federal Savings & Loan	727,590	745,156
Note Payable - LHC	399,916	399,916
Note Payable - Bossier City Housing Authority	175,000	175,000
Accrued Interest Payable - LHC	182,352	160,700
Accrued Interest Payable - Bossier City Housing Authority	87,363	78,613
Development Costs Payable	91,584	93,584
Total Long-Term Liabilities	1,663,805	1,652,969
Total Liabilities	1,769,488	1,704,162
PARTNERS' EQUITY		
Partners' Equity	1,151,156	1,309,318
Total Partners' Equity	1,151,156	1,309,318
Total Liabilities and Partners' Equity	$ 2,920,644	$ 3,013,480

The accompanying notes are an integral part of these financial statements.

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
REVENUE		
Rent Income	$ 276,002	$ 281,139
Late Fees, Forfeited Deposits, etc.	9,075	5,804
Other Income	250	943
Total Revenue	285,327	287,886
EXPENSES		
Maintenance and Repairs	128,446	71,579
Utilities	45,498	35,353
Administrative	44,976	76,890
Base Management Fees	14,367	14,780
Subordinate Management Fees	-	3,689
Insurance	16,642	16,361
Interest	86,516	87,399
Depreciation and Amortization	101,871	101,871
Total Expenses	438,316	407,922
Net Income (Loss) from Operations	(152,989)	(120,036)
OTHER INCOME (EXPENSES)		
Interest Income	844	-
Gain/(Loss) on Sale of Asset	198	198
Asset Management Fees	(6,215)	(6,115)
Total Mortgagor Entity Expenses	(5,173)	(5,917)
Net Income (Loss)	$ (158,162)	$ (125,953)

The accompanying notes are an integral part of these financial statements.

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Total	General Partner	Special Limited Partner	Investor Limited Partner
Partners' Equity (Deficit), January 1, 2012	$ 1,435,271	$ (75)	$ (8)	$ 1,435,354
Net Income (Loss)	(125,953)	(13)	(1)	(125,939)
Partners' Equity (Deficit), December 31, 2012	1,309,318	(88)	(9)	1,309,415
Net Income (Loss)	(158,162)	(16)	(2)	(158,144)
Partners' Equity (Deficit), December 31, 2013	$ 1,151,156	$ (104)	$ (11)	$ 1,151,271
Profit and Loss Percentages	100.00%	0.010%	0.001%	99.989%

The accompanying notes are an integral part of these financial statements.

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (158,162)	$ (125,953)
Adjustments to Reconcile Net Income (Loss) to Cash		
Provided by Operating Activities:		
Depreciation and Amortization	101,871	101,871
(Increase)Decrease in Accounts Receivable - Tenants	(1,180)	(261)
(Increase)Decrease in Allowance for Doubtful Accounts	-	(1,043)
(Increase)Decrease in Prepaid Insurance	(699)	(1)
(Increase)Decrease in Tax & Insurance Escrow	(4)	3,501
Increase(Decrease) in Accounts Payable	22,089	(4,104)
Increase(Decrease) in Deferred Rent	23	(522)
Increase(Decrease) in Base Management Fees Payable	273	3,049
Increase(Decrease) in Subordinate Management Fees Payable	-	3,689
Increase(Decrease) in Accrued Interest Payable	30,315	30,324
Net Change in Security Deposits, Received (Paid)	(250)	136
Total Adjustments	152,438	136,639
Net Cash Provided by (Used in) Operating Activities	(5,724)	10,686
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits to Operating Reserve	(414)	(490)
Withdrawals from Operating Reserve	3,000	-
Deposits to Replacement Reserve	(17,725)	(8,393)
Withdrawals from Replacement Reserve	20,989	-
Net Cash Provided by (Used in) Investing Activities	5,850	(8,883)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Debt	(13,652)	(12,520)
Net Change in Overdraft Liability	(4,643)	4,643
Advance from Related Party	32,920	-
Payment of Development Cost Payable	(2,000)	-
Net Cash Provided by (Used in) Financing Activities	12,625	(7,877)
Net Increase (Decrease) in Cash and Cash Equivalents	12,751	(6,074)
Cash and Cash Equivalents at Beginning of Year	-	6,074
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 12,751	$ -

The accompanying notes are an integral part of these financial statements.

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest:	$ 56,201	$ 57,075

The accompanying notes are an integral part of these financial statements.

NOTE A – ORGANIZATION

Eagle Pointe Development I Limited Partnership (the Partnership) was organized in 2001 as a limited partnership to develop, construct, own, maintain, and operate a 44-unit rental housing apartment complex for persons of low and moderate income. The apartment complex is located in Bossier City, Louisiana, and is currently known as Village of Eagle Pointe I Apartments. Each building of the apartment complex has qualified and been allocated low income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Partnership agreement, as amended (the Partnership Agreement) and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents represent unrestricted cash and all highly liquid and unrestricted debt instruments purchased with a maturity of three months or less.

Cash and Other Deposits

The Partnership maintains various checking, escrow, and other deposits at a local financial institution. Noninterest-bearing transaction and interest-bearing accounts, in the aggregate, are insured up to $250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2013, the Partnership had no uninsured cash balances.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Replacement Reserve

The General Partners shall cause the Partnership to establish the Replacement Reserve which shall be funded commencing stabilized operations from operating revenues at the rate of $300 (increased as of January 1 of each year by the then applicable CPI adjustment) per apartment unit per year (such funding requirement shall be inclusive of any reserve funding requirement set forth in the permanent mortgage for the same purpose as the Replacement Reserve). Replacement Reserve funds shall be maintained in a Partnership account and shall be prudently invested at the direction of the General Partners. All earnings shall remain in the Replacement Reserve and be available for the purpose thereof. Withdrawals from the Replacement Reserve shall be made with the consent of the Special Limited Partner to fund capital repairs and replacements for the property. Notwithstanding the above, in the event that the permanent mortgage lender shall require deposits into the Replacement Reserve in amounts greater than those set forth in Section 6.14C of the Partnership Agreement and/or other changes in the terms and conditions applicable to the funding, maintenance and/or employment of the Replacement Reserve, such requirements of the permanent mortgage lender shall control. As of December 31, 2013 and 2012, the account had a balance of $102,596 and $105,860, respectively. For the year ended December 31, 2013, $16,279 was required to be funded to the Replacement Reserve account. The actual amount funded during 2013 was $17,300, which resulted in the account being adequately funded.

Operating Reserve

In accordance with the Partnership Agreement, the Managing General Partner established an Operating Reserve Account at Citizens National Bank. As of December 31, 2013 and 2012, the account had a balance of $102,916 and $105,502, respectively.

Credit Risk Collateralization Policy

The Partnership does not require collateral to support financial instruments subject to credit risk.

Property, Equipment and Depreciation

Land, buildings, improvements, and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

Buildings	40 years
Furniture, Fixtures and Equipment	10 years
Site Improvements	20 years

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Mortgage costs are amortized over the term of the mortgage loan using the straight-line method. Accumulated amortization as of December 31, 2013 and 2012 was $19,227 and $17,185, respectively.

FASB ASC 360, *Property, Plant, and Equipment*

FASB ASC 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of the impairment provisions of FASB ASC 360, *Property, Plant, and Equipment* has not materially affected the Partnership's reported earnings, financial condition or cash flows.

Tenants' Security

Tenants' security deposits are to be held in a separate bank account in the name of the apartment complex. At December 31, 2013, this account was funded in an amount equal to the security deposit liability.

Rental Income and Accounts Receivable

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages and cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenant receivable balances.

Tenant receivables are reported net of an allowance for doubtful accounts. As of December 31, 2013 and 2012, there was no balance in the allowance for doubtful accounts for both years. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the partners individually. The time limit for taxing authorities to examine the Partnership's income tax returns is generally three years from the date of filing or the due date, whichever is later, unless civil or criminal fraud is proven, for which there is no time limit.

NOTE C – PARTNERS AND CAPITAL CONTRIBUTIONS

During 2004, Provident Tax Credit Fund IX, LLC, withdrew as an Investor Limited Partner in the Partnership, and Nationwide Affordable Housing Fund 16, LLC: A Red Capital Tax Credit Fund, LLC was admitted as an Investor Limited Partner. The Partnership has a General Partner – Bossier Housing Corporation, Inc., and a Special Limited Partner – SCDC, LLC. As of December 31, 2006, the Partnership has received all capital contributions due from the Investor Limited Partner.

NOTE D – LONG-TERM DEBT

First Mortgage

In July 2004, Home Federal Savings and Loan Association of Shreveport loaned $842,818 to the Partnership in permanent financing. Under the terms of the loan, the Partnership will make monthly principal and interest payments of $5,821 (7.375% per annum) until December 31, 2023 at which time the note matures and all unpaid balances on the note are due and payable. The balance due as of December 31, 2013 and 2012 was $743,888 and $757,540, respectively.

The Home Federal Savings and Loan Association of Shreveport loan is nonrecourse debt and is collateralized primarily by a first mortgage on the Partnership's land and buildings and an assignment of all rents and leases of the Partnership.

Second Mortgage

The Louisiana Housing Corporation ("LHC"), formerly the Louisiana Housing Finance Agency (LHFA), has committed loan proceeds of $510,000 to the Partnership, of which the Partnership has only received $399,916. The loan bears interest at a rate of 5.34%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest will not begin until the earlier of, the first mortgage with Home Federal Savings and Loan Association of Shreveport is paid in full or April 1, 2023, (commencement of amortization) at which time, the note will be payable in monthly principal and interest installments. In addition to the monthly installment, the accrued interest from inception of the note through commencement of amortization will be payable in equal monthly installments through August 15, 2019, which is the date all unpaid sums under the note are due and payable. The loan also details that payments

NOTE D – LONG-TERM DEBT (CONTINUED)

Second Mortgage (Continued)

shall be made only out of and to the extent of the cash flow of the Partnership after payment of all operating expenses approved by the LHC. As a condition to obtaining this financing, the Partnership has entered into a regulatory agreement with LHC. Rentals to tenants of low income and restrictions of rents charged are two major conditions of the regulatory agreement. Should the LHC issue a written notice to the Partnership of an instance of noncompliance with the regulatory agreement, the Partnership has thirty days from the issuance of such notice to correct the noncompliance. As of December 31, 2013 and 2012, the balance of the loan was $399,916 and $399,916, respectively, and accrued interest amounted to $182,352 in 2013 and $160,700 in 2012.

Should the noncompliance not be corrected within the thirty days, LHC has the authority to declare the entire amount of mortgage immediately due and payable.

Third Mortgage

Eagle Pointe Development I Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on November 5, 2003 in the amount of $175,000. The loan bears interest at a rate of 5.00%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all Borrower's operating expenses the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in the Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2043. As of December 31, 2013 and 2012, the balance of the loan was $175,000 and $175,000 and accrued interest amounted to $87,363 in 2013 and $78,613 in 2012.

Maturities of Long-Term Debt

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

Year Ending December 31,	Amount	
2014	$	16,298
2015	$	16,753
2016	$	18,031
2017	$	19,406
2018	$	20,887
Thereafter	$	1,227,429

NOTE E – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Management Fees

The General Partner (Bossier Housing Corporation, Inc.) is under common control with the Housing Authority of the City of Bossier City, a Louisiana Public Housing Authority, the managing agent for the apartment complex. The Partnership incurred Base Management Fees of $14,367 and $14,780 and Subordinate Management Fees of $0 and $3,689 during 2013 and 2012, respectively, for services rendered in connection with the leasing, management and operation of the apartment complex. The Base Management Fee is computed on 5% of Operating Revenues and the Subordinate Management Fee in an amount equal to 5% of Operating Revenues provided that the Subordinate Management Fee shall be payable only to the extent of funds available pursuant to Section 5.2.A. of the Management Agreement. As of December 31, 2013 and 2012, there were accrued Base Management Fees payable of $4,597 and $4,324 and accrued Subordinate Management Fees payable of $4,964 and $4,964, respectively. Management fees are charged monthly at a rate of 5.00% of total monthly income.

Asset Management Fee

The Partnership shall pay an Asset Management Fee to the Special Limited Partner (or to an affiliate thereof). The Asset Management Fee is $5,000 increased each year by the applicable CPI adjustment from and after the Admission Date. The Asset Management Fee is due and payable within fifteen days after the end of each calendar quarter to the extent cash is available as provided in the Partnership agreement. The Partnership incurred Asset Management Fees of $6,215 and $6,115 during 2013 and 2012, respectively.

Development Cost Payable

As of December 31, 2013 and 2012, the Partnership owed the Housing Authority of the City of Bossier City, an affiliated entity, $91,584 and $93,584, respectively, for development costs paid by the Housing Authority on behalf of the Partnership.

Amounts Due To Related Parties

Amounts due to related parties at December 31, 2013 and 2012, consist of the following:

	2013	2012
Bossier City Housing Authority, for Development Costs paid on behalf of the Partnership	$ 91,584	$ 93,584
Bossier City Housing Authority, an affiliate of Bossier Housing Corporation, Inc., for costs paid on behalf of the Partnership	39,655	6,735
Bossier City Housing Authority, note payable of $175,000 including accrued interest	262,363	253,613
	$ 393,602	$ 353,932

NOTE F – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

All profits and losses, other than from certain transactions detailed in the Partnership Agreement, are allocated .01% to the General Partner, 99.989% to the Investor Limited Partner and .001% to the Special Limited Partner. Distributable cash flow is defined in The Partnership Agreement as the excess of operating revenues over the sum of operating expenses and debt service.

Distributable cash flow is payable annually as follows:

(1) to the payment of any unpaid Adjustment Amount determined in accordance with Section 4.2;

(2) to the payment of any unpaid Base Management Fee;

(3) to the payment of any unpaid Asset Management Fees;

(4) to the repayment of any outstanding Limited Partner Loans;

(5) to replenishment of the Operating Reserve to the extent required pursuant to Section 6.14.B;

(6) to payment of the Deferred Development Cost Payment until paid in full;

(7) to the payment of any unpaid Subordinate Management Fee;

(8) to the additional payment of principal on the Permanent Mortgage;

(9) to the payment of the Secondary Loans;

(10) to the repayment of any outstanding General Partner Loans;

(11) to the repayment of outstanding Operating Deficit Loans; and

(12) all remaining Cash Flow shall be distributed 0.01% to the General Partners and 99.99% to the Limited Partners.

NOTE G – ADVERTISING

The Partnership expenses advertising costs as such cost are incurred. The Partnership incurred advertising costs of $81 and $65 for the years ended December 31, 2013 and 2012.

NOTE H – PROPERTY TAXES

The Partnership did not incur any property taxes for the years ended December 31, 2013 and 2012.

NOTE I – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
Financial Statement Net Income (Loss)	$ (158,162)	$ (125,953)
Adjustments:		
Excess of depreciation for income tax purposes over financial reporting purposes	(19,392)	(19,393)
Other Book/Tax Timing Differences	(2)	–
Taxable Income (Loss) as shown on tax return	$ (177,556)	$ (145,346)

NOTE J – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 31, 2014, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
MAINTENANCE AND REPAIRS		
Grounds Maintenance	$ 12,539	$ 15,000
Maintenance and Repairs - Contract	88,761	33,602
Maintenance and Repairs - Supplies	21,081	19,625
Maintenance and Repairs - Employee Benefits	3,942	-
Pest Control	897	1,897
Cleaning	978	153
HVAC	248	1,302
Total Maintenance and Repairs	$ 128,446	$ 71,579
UTILITIES		
Electricity	$ 11,305	$ 10,359
Water	13,157	9,643
Sewer	10,042	7,173
Garbage and Trash Removal	10,994	8,178
Total Utilities	$ 45,498	$ 35,353
ADMINISTRATIVE		
Payroll	$ 19,837	$ 49,673
Bookkeeping and Auditing	5,750	5,825
Advertising	81	65
Legal Fees	281	1,733
Computer Support Services	5,484	1,470
Administrative Costs	9,576	11,062
Office Expense	1,932	1,417
Telephone	414	416
Training and Travel	595	-
Miscellaneous Administrative Fees	1,026	5,229
Total Administrative	$ 44,976	$ 76,890
INSURANCE		
Property and Liability Insurance	$ 16,642	$ 16,361
Total Insurance	$ 16,642	$ 16,361
INTEREST EXPENSE		
Bossier City Housing Authority Loan Interest Expense	$ 8,750	$ 8,750
Home Loan Interest Expense	21,652	21,652
Mortgage Interest Expense	56,114	56,997
Total Interest Expense	$ 86,516	$ 87,399

LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Partners
Eagle Pointe Development I Limited Partnership
Bossier City, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Eagle Pointe Development I Limited Partnership, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Eagle Pointe Development I Limited Partnership's basic financial statements, and have issued our report thereon dated March 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eagle Pointe Development I Limited Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of Eagle Pointe Development I Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Eagle Pointe Development I Limited Partnership's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Eagle Pointe Development I Limited Partnership's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eagle Pointe Development I Limited Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eagle Pointe Development I Limited Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eagle Pointe Development I Limited Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Little & Associates, LLC

Monroe, Louisiana
March 31, 2014